

# welcome to LAFCU

- ◆ Lume-Adama  
Farmers  
Cooperative  
Union(LAFCU) ]
- ◆
- Oromia, East  
shewa, Mojo
- ◆ Tele.0221161582,E-mail:  
[lafcu@gmail.com](mailto:lafcu@gmail.com)
- ◆ Fax, 0221160139





# Contents

- History of the Union
- Location of the union
- Area of operation
- Vision of the Union
- Mission of the Union
- Objectives
- Organizational Structures
- Activities
- Major activities result
- Future plan
- Thank you



# History of the Union

## Establishment

Lume-Adama Farmers Cooperative Union was voluntarily established by four primary cooperatives in Lume Woreda of Eastern Shoa zone on 29 July 1997

At present, the number of primary cooperatives affiliated to the Union reached 32. The total membership of primary cooperative is 22,896 of which 20,121 are male and 2,775 are female. And the total family of this primary cooperatives more than 90,000.





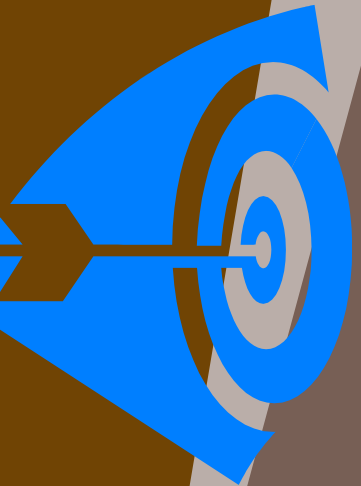
# First General Assembly





# Location of the Union

The Union is located 70 km South East of Addis Ababa, the capital city of the country. It is found in the midst of one of the most food surplus of the country. The head office of the union is located in Modjo Town Of Lume Woreda.



# Area of operations

The Union's area of operation includes Lume, Adama and Bosat Woreda of East Showa Zone. The area is widely known for its Production of best quality Teff. In addition, haricot bean, chick pea, Wheat, Oil seeds and beans are also growing.

Being in the Great East African Rift Valley, it has warm climate and convenient topography, which is very suitable for irrigation and cattle production.

# Operation area of LAFCU





# Vision

- ◆ The vision of LAFCU is “To see modern farmers with modern technology”



# Mission of the Union

- ▶ Ensuring efficient and effective supply of input
- ▶ Achieving better market price through increasing bargaining power and implementing value adding activities
- ▶ Providing different services which are important for farming and better-off livelihood
- ▶ Creating a self reliant cooperative organization for surrounding farmers.



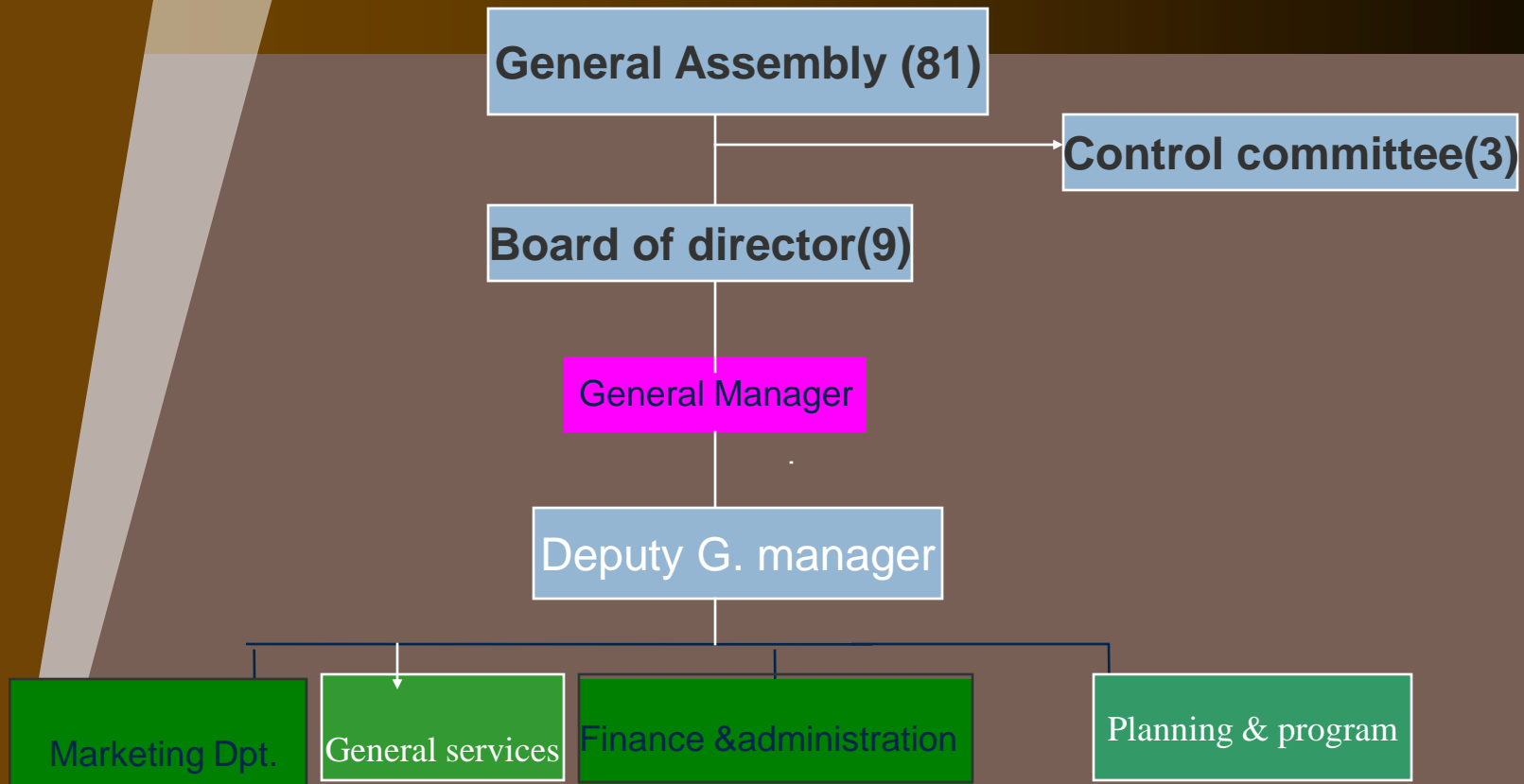
# Objectives



- ◆ To increase the bargaining power of members in the liberal market
- ◆ To provide members and other farmers in the region with agricultural inputs
- ◆ To render different services to members and non member farmers
- ◆ Enabling members product to get better price either locally or in foreign market
- ◆ To promote modern agricultural technologies
- ◆ To participate in the process of solving socio-economic problems of the region
- ◆ To take part in promoting cooperative education and training
- ◆ To inculcate the habit of saving among members



# Organizational structure



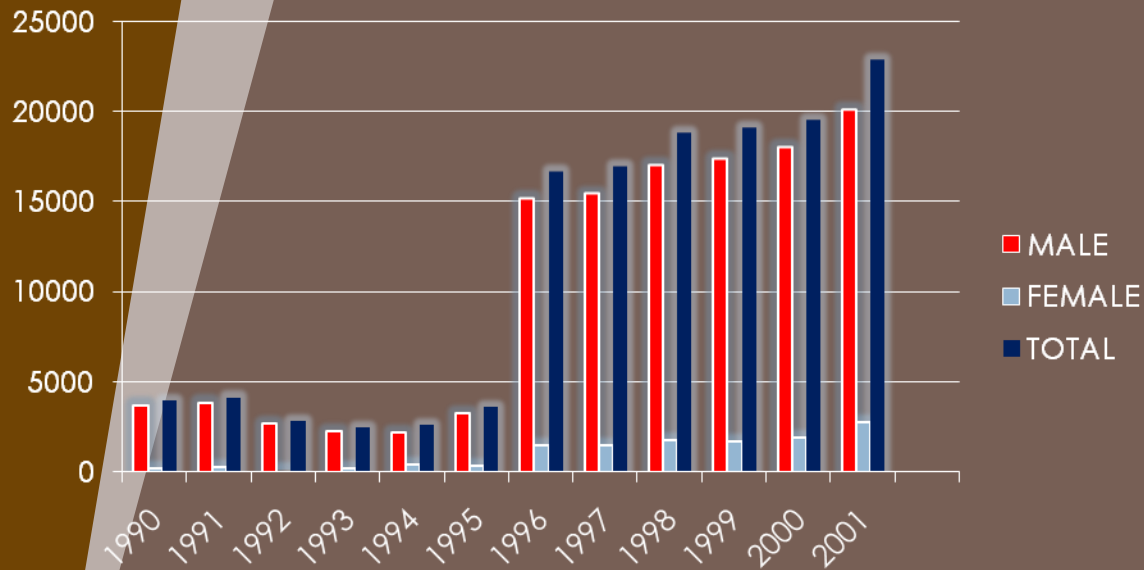
- ◆ 59 full time worker and over 200 casual laborers

# Activities



1. Distribution of agricultural input
2. Marketing of farmers produce
3. Import and export
4. Processing
5. Seed multiplication and preparation
6. Tractor rental service
7. Training services
8. Credit service
9. Transport service
10. Meeting hall services
11. Secretarial service
12. Crop insurance service
13. Distribution of chicken to the Farmers

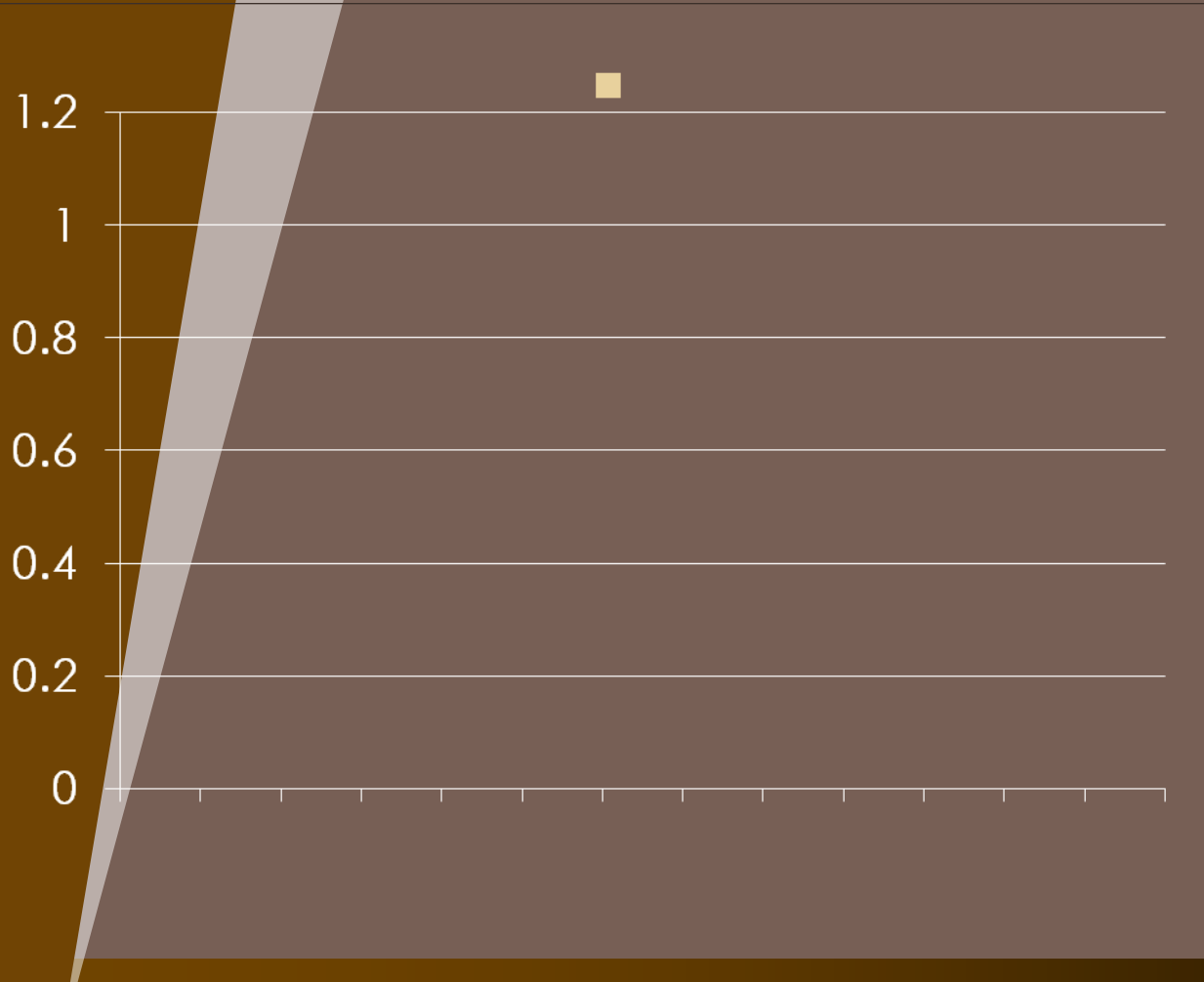
# Membership growth in terms to individuals



	<i>Individual farmers</i>		
<i>Year</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
1990	3,740	235	3,975
1991	3,872	285	4,157
1992	2,675	165	2,840
1993	2,275	222	2,497
1994	2,209	427	2,636
1995	3,285	364	3,649
1996	15,175	1,494	16,669
1997	15,443	1,512	16,955
1998	17,041	1,790	18,831
1999	17,382	1,727	19,109
2000	18,042	1,905	19,497
2001	20,121	2,775	22,896
2002	20,121	2,775	22,896



# Membership growth in terms to member society



Year	Member society
1990	4
1991	7
1992	11
1993	15
1994	20
1995	21
1996	22
1997	23
1998	24
1999	25
2000	27
2001	32
2002	33

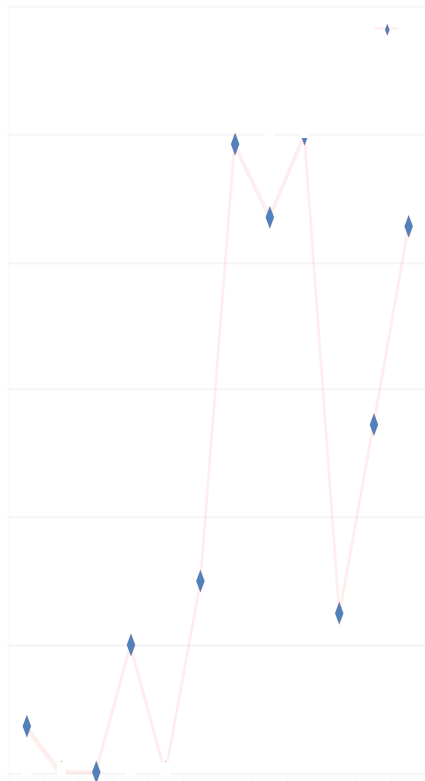
# Major Activity Results of the last 13 years

## A. Fertilizer distribution

The Union imported fertilizer through the tender system, and supplied 2,879,664.5 quintals to the members and other farmers in the country

Year	Quantity in quntal		Purchased price	Sales price
	Dap	urea		
1991	17,987.00	7,965. 00	5,112,678. 00	5,281,853.68
1992	34,449. 00	10,928. 00	10,413,205.88	10,851,115. 00
1993	50,536. 00	19,786.50	16,538,956.75	17,491,589.43
1994	49,849.50	16,744. 00	12,859,706.45	13,546,360. 00
1995	52,752. 00	25,200. 00	17,058,680.20	17,954,031.54
1996	74,867.00	23,074.00	29,021,263.00	29,386,810.39
1997	246,148.00	22,074.00	95,676,487.24	97,981,045.34
1998	217,434.00	250,347.00	139,148,784.96	136,336,835.76
1999	250,045	253,009.5	188,816,520.32	195,610,037.65
2000	62,2777	234,426	178,668,098.84	224,072,809.69
2001	136,214.50	272,106.00	222,985,857.88	235,812,000.11
2002	213,920	85,000.00	176,411,026.22	239,271.998.23

# DISTRIBUTION OF FERTILIZER



year	Quantity		Purchased price	Sales price
	Dap	urea		
1991	17,987.00	7,965.00	5,112,678.00	5,281,853.68
1992	34,449.00	10,928.00	10,413,205.88	10,851,115.00
1993	50,536.00	19,786.50	16,538,956.75	17,491,589.43
1994	49,849.50	16,744.00	12,859,706.45	13,546,360.00
1995	52,752.00	25,200.00	17,058,680.20	17,954,031.54
1996	74,867.00	23,074.00	29,021,263.00	29,386,810.39
1997	246,148.00	22,074.00	95,676,487.24	97,981,045.34
1998	217,434.00	250,347.00	139,148,784.96	136,336,835.76
1999	250,045	253,009.5	188,816,520.32	195,610,037.65
2000	62,277.00	234,426.00	178,668,098.84	224,072,809.69
2001	136,214.50	272,106.00	222,985,857.88	235,812,000.11
2002	213,920	85,000	175,902,301.43	239,271,998.23



## B. Improved seed distribution

The Union has supplied 61,517.66 quintals of improved seed cleaned and packed to farmers covered by the package program

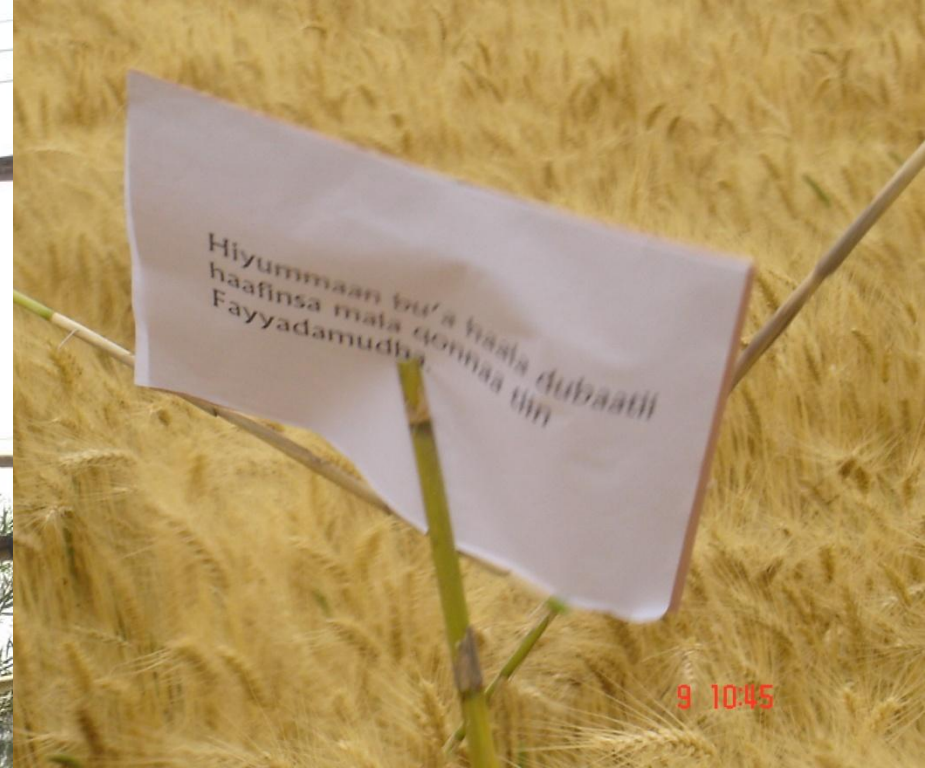
year	Amount qui.	Purchase price	Sales price
1991	421.00	89,526.40	106,400.00
1992	859.00	210,557.40	233,688.75
1993	2,424.5	502,033.06	327,264.60
1994	1,195.00	-	223,042.42
1995	871.5	214,917.50	232,745.85
1996	4,228.68	1,589,419.00	1,593,831.76
1997	11,827.76	2,508,899.01	3,294,588.10
1998	11,418.45	3,071,529.84	3,442,516.45
1999	8,605.30	2,050,224.35	2,347,351.81
2000	6,410.2	3,333,356.85	3,905,320.36
<b>2001</b>	<b>7,569.4</b>	<b>4,863,719.55</b>	<b>4,906,034.14</b>
<b>2002</b>	<b>7,753.19</b>	<b>5,783,884.44</b>	<b>5,393,047.66</b>

# Preparation of seed by farmers



23 7:13







# C. Distribution Of Chemicals

Purchased and distributed  
66,958.87 liters of Herbicides and  
pesticide to farmers.



year	Qunt. Liter	Purchase Price	Sales price
1992	305		15,860.00
1993	5,800	229,169.00	240,471.00
1994	6,073	219,965.75	240,247.00
1995	10,352	430,516.00	450,136.42
1996	6,255.00	266,453.25	279,252.50
1997	6,381	275,978.25	280,764.00
1998	8,614	403,125.00	306,902.75
1999	2,325	104,126.5	112,290.00
2000	1,460.87	66,8861.7	791,318.53
2001	10,300.56	643,630.37	677,416.4
2002	19,393	1,659,798.00	885,546.20

## D. Tractor service

Ploughed 8,845.32 hectares of land with the existing seven tractors.

year	Land plowed/hecr.
1991	382.00
1992	795.00
1993	1,186.63
1994	615.00
1995	1,177.00
1996	1,377.00
1997	510.00
1998	443.72
<b>1999</b>	<b>371</b>
<b>2000</b>	<b>329</b>
2001	<b>621.10</b>
<b>2002</b>	<b>1,034.87</b>





# E. Grain marketing

Purchased and marketed 204,300.87 quintals of grain from the members.

Year	purchased by the union			purchased by pri. coop		
	Quantity	Purchase price	Sales price	Quantity	Purchase price	Sales price
1991	1,036.00	246,248.00	285,442.00	6,299.68	1,412,386.20	1,657,486.70
1992	1,494.47	393,153.00	414,009.00	8,294.04	193,711.25	1,828,127.35
1993	1,426.00	355,471.20	354,310.00	9,624.19	1,987,092.53	2,177,273.38
1994	2,611.65	679,758.00	273,792.00	17,324.52	3,349,340.89	4,009,807.87
1995	3,595.39	863,416.10	940,442.50	15,977.46	3,955,711.32	3,884,317.47
1996	6,153.38	1,323,723.90	1,403,316.75	8,907.75	1,804,397.74	2,044,811.81
1997	19,043.81	2,828,103.55	3,001,463.70	16,560.46	3,352,300.04	3,611,699.68
1998	8,460.91	2,220,312.51	2,321,347.98			
1999	22,523.18	9,463,198.05	4,701,050.71			
2000	39,943.93	19,824,500.29	21,937,325.07			
2001	27,946.38	16,138,463.35	11,306,000			
2002	15,024.05	12,770,450.5	11,112,725.04			

# Farmers produce prepared for export





F. Collected and disseminated relevant market information to the member cooperatives.

G. Extended loan amounting to Birr 413,023,013 for 17 member Cooperatives



12 12:18



# Spot market of the union





# H. Introduction of crop insurance

- More over the union is now introducing an agricultural insurance industry or product that safes/guarantees the farmers against losses occurred due to natural disaster and cannot be controlled by the farmers.

	Hektar	No of Farmer s	Birr
2000	98	94	91000
2001	137	159	309000





# Introduction of crop Insurance From Oromia insurance Company




# Involvement in natural resource conservation activities





# I. Agro processing activities

- The union has prepared a project to process agricultural products at different level that includes collecting wheat from members and converting it into flour which is finally used for baking purpose in the short run and to other industrial products that has long shelf life like biscuits, pasta, macaroni etc. in the long run.
- The Union has used the Grant Assistance donated by the Japan Embassy in Ethiopia to establish the Agro-processing Center and to purchase the equipments needed for bakery and vegetable washing and packing process. This project is aiming at adding value on members' agricultural products through processing in order to get better market access. This Center has a capacity to produce 7,000 breads per day, and these products aimed to be marketed through the sales network of women members in 8 kebeles under the Union. Several vegetables and fruits such as onion, tomato and cabbage will be cleaned and packed to sell them to passengers and traders in addition to the consumers in Modjo town.

# The agro-processing center





# Poultry Farming Project



# First round to hatch Eggs

At the time of setting



At the time of candling





# 2,794 Chickens are produced in the Union's poultry farm

















# One of food processing activity





# J. Training services to members

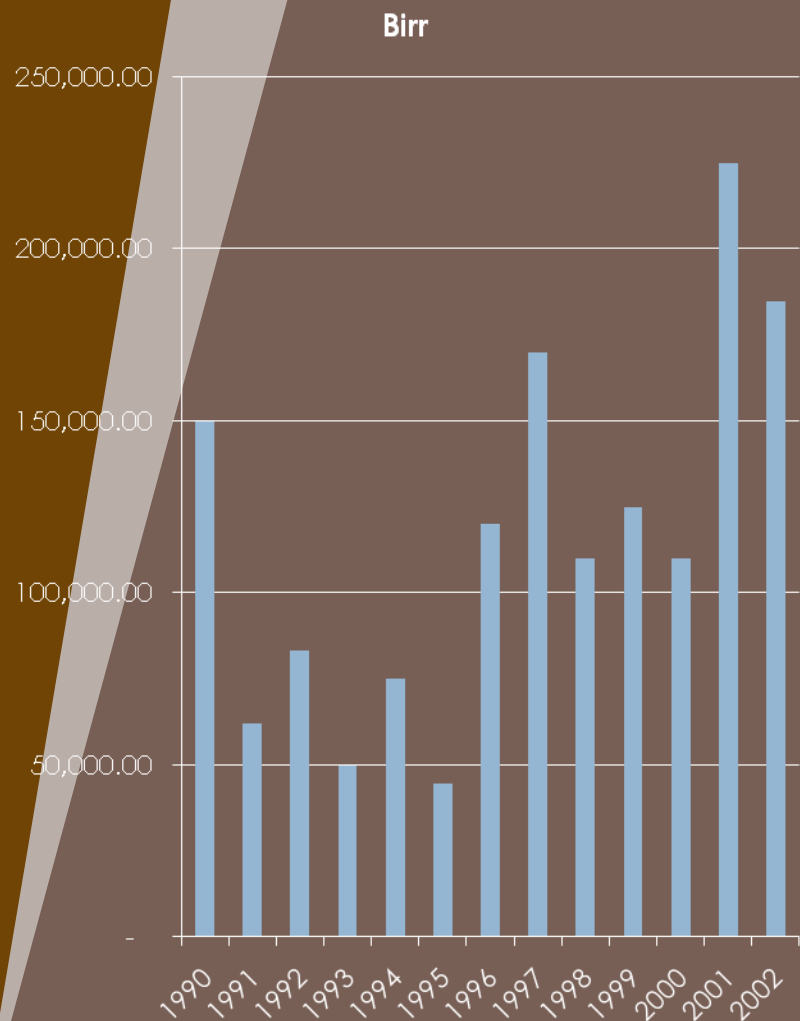
Facilitated series of trainings in collaboration with the Oromia Cooperatives promotion Bureau and other NGOs, to its members, Board members and management staff.

year	Board member	Staff	Foreign visit
1991	12	-	3
1992	18	-	-
1993	19	-	-
1994	23	3	1
1995	23	-	-
1996	23	-	-
1997	23	4	-
1998	24	2	-
1999	24	1	-
2000	9	2	-
2001	9	1	-
2002	9	-	-

## K. Credit services

year	Loan from bank	Amount recovered	Loan to prim. coop.	recovered
1991	300,000.00	300,000.00	450,000.00	450,000.00
1992	350,000.00	250,000.00	125,000.00	126,000.00
1993	1,000,000.00	1,000,000.00	779,000.00	740,339.15
1994	1,400,000.00	1,400,000.00	754,000.00	754,000.00
1995	1,250,000.00	1,250,000.00	980,000.00	976,095.00
1996	1,800,000.00	1,800,000.00	1,296,000.00	1,242,858.81
1997	4,500,000.00 85,000,000.00	4,500,000.00 85,000,000.00	755,000.00	689,375.62
1998	110,900,000.00	94,900,000.00	2,325,000.00	2,217,441.51
1999	206,523,013.00	179,757,092.48	496,500.00	356,153.33
2000	177,953,133.12	146,079,371.14	2,700,000.00	2,874,454.4
2001	10,000,000.00	5,420,000.00	4,620,000.00	2,998,744.09
2002	6,000,000.00	5,600,000.00	5,600,000.00	3,592,752.77

# Total Amount Of Share On Birr1,510,000.00



Year	No of Share	Birr
1990	30	150,000.00
1991	12.4	62,000.00
1992	16.7	83,500.00
1993	10	50,000.00
1994	15	75,000.00
1995	8.9	44,500.00
1996	24	120,000.00,
1997	34	170,000.00
1998	22	110,000.00
1999	25	125,000.00
2000	22	110,000.00
2001	45	225,000.00
2002	37	185,000.00



# L. Transport service





# M. Meeting hall service



# Agroo-Pirossasingii Liibaan Cuqalaa





# N. Financial position

## A. Profit and loss statement

year	Revenue	Expense	Profit
1991	579,9172.65	5,688,575.11	110,597.10
1992	11,756,099.57	11,547,122.49	208,977.08
1993	18,388,893.56	18,173,091.82	215,801.74
1994	15,002,324.54	14,767,604.87	234,719.67
1995	20,269,187.80	19,924,543.14	344,644.66
1996	32,557,212.30	32,073,709.77	459,327.40
1997	104,920,811.83	102,374,201.49	2,546,610.34
1998	143,209,859.83	141,266,705.49	1,943,154.34
1999	205,795,085.2	197,561,348.21	8,233,736.99
2000	256,395,009.10	252,562,462.38	3,832,542.72
2001	252,869,792.87	248,791,616.02	4,078,176.85
2002			4951356.51

## B. Balance sheet

Year	Asset	Liability	Capital
1991	909,825.08	566,663.66	343,161.42
1992	999,371.08	506,972.69	492,398.39
1993	2,485,833.61	1,638,373.37	867,460.24
1994	6,120,833.67	498,0674.20	1,140,119.47
1995	3,317,971.62	1,920,759.28	1,397,412.34
1996	7,106,656.38	5,342,604.32	1,764,054.06
1997	41,033,229.01	36,962,470.00	4,070,759.00
1998	105,915,118.00	99,241,135.86	6,673,982.14
1999	93,153,980.19	82,770,036.14	10,383,943.05
2000	66,921,510.6	49,134,245.64	16,279,009.96
2001	88,940,034.25	68,130,278.16	20,809,756.09
2002	167,578,204.80	143,470,983.90	24,107,220.96

# O. Regional and National level reward







## P. Future plan

1. Purchase directly from the importers or import, high quality and environmentally safe inputs in bulk and lower costs,
2. Sell members grain in high revenue fetching deficit markets and establishing good market condition through quality product,
3. Conduct market research, collect market information and provide it to the members,
4. Render quality tractor service
5. Establish food-processing section
6. Diversification of Union activities through
  - Adding value to members produce through processing
  - Introducing modern warehouse services to members and other farmers in the area
  - Cattle Fattening,
  - Seed cleaning and packaging,
  - Enter export market and grading & Standardizing of products purchased,
7. Involve in the establishment and promotion of saving and credit cooperatives,
8. Construct office and additional warehouse,
9. Adding trained man power for sustainable development of the union
10. Promote cooperative education



International Day of Cooperatives, 2007

"Co-operative Values and Principles  
for Corporate Social Responsibility"



◆ Thank  
you